

In case of discrepancies between the French and the English text,
the French text shall prevail

DCIC L0

Definitions and concepts for the statistical reporting of insurance corporations

March 2021

Contents

1	Introduction	4
2	Basic principles	5
2.1	Reference date for the establishment of the reports	5
2.2	Reporting currency.....	5
2.3	Closing date	5
2.4	Data transmission to BCL	5
2.5	Safekeeping period of documents.....	6
3	Reporting of operations.....	7
3.1	Basic accounting policies	7
3.1.1	Valuation	7
3.1.2	Accounting rules.....	7
4	Instruments	9
4.1	Assets	9
4.1.1	Item 1-001000 Currency and deposits.....	9
4.1.2	Item 1-002000 Loans.....	9
4.1.3	Item 1-003000 Debt securities held	11
4.1.4	Item 1-005000 Equity and investment fund shares/units held.....	11
4.1.5	Item 1-006000 Non-financial assets	12
4.1.6	Item 1-007000 Financial derivatives	12
4.1.7	Items 1-012000 Insurance technical reserves and related claims.....	13
4.1.8	Item 1-090000 Other assets	13
4.1.9	Item 1-000000 Total assets	14
4.2	Liabilities	14
4.2.1	Item 2-002050 Loans - Short sales of securities.....	14
4.2.2	Item 2-002060 Loans - deposit guarantees in connection with reinsurance business.....	14
4.2.3	Item 2-002090 Loans - other	15
4.2.4	Item 2-003000 Debt securities issued.....	15
4.2.5	Item 2-005000 Capital (equity, shares and units issued)	15
4.2.6	Item 2-011000 Financial derivatives	16
4.2.7	Items 2-012110 to 2-012133: Life insurance technical reserves.....	16
4.2.8	Items 2-012210 to 2-012300: Non-life insurance technical reserves	

	18
4.2.9	Item 2-090000 Other liabilities	21
4.2.10	Item 2-000000 Total liabilities	21
4.3	Annual Premiums, claims and commissions	21
4.3.1	Item 1-RE0010 Premiums	21
4.3.2	Item 1-RE0020 Claims	21
4.3.3	Item 1-RE0030 Commissions	22
4.3.4	Item 1-RE0040 Total of Assets of the Balance sheet	22
4.3.5	Item 1-RE0050 Life insurance or reinsurance technical reserves	22
5	Types of breakdowns	23
5.1	Country	23
5.2	Currency	24
5.3	The economic sector	25
5.3.1	Public sector (code: 10000)	26
5.3.2	Non-financial sector (code: 20000)	27
5.3.3	Monetary financial institutions sector (MFI) (code: 30000)	29
5.3.4	Financial sector (except MFI) (code: 40000)	31
5.3.5	Sector «No breakdown» (code: 90000)	35
5.3.6	Sectors overview	36
5.4	Original maturity	37
5.5	Residual maturity	37
6	Minimum standards to be applied	39

1 Introduction

The objective of the document «Definitions and concepts for the statistical reporting of insurance corporations» is to provide an overview of all the definitions and concepts that must be applied by insurance corporations when establishing the statistical reports to be submitted to the Banque centrale du Luxembourg (BCL) by insurance corporations.

Hence, this document provides a detailed description of the main underlying accounting principles for assets and liabilities as well as for the breakdowns to be provided on the various statistical reports to be submitted to the BCL. These definitions are an adaptation of Regulation (EU) No 1374/2014 of the European Central Bank of 28 November 2014 on statistical reporting requirements for insurance corporations (ECB/2014/50) as well as of Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (ESA 2010).

More specific instructions that are necessary to establish certain statistical reports are provided within the description of these reports.

2 Basic principles

2.1 Reference date for the establishment of the reports

The last day of each quarter should be the reference date for the establishment of the quarterly statistical reports S 2.18-L «Quarterly statistical balance sheet of insurance corporations» and S 2.19-L «Information on valuation effects on the balance sheet of insurance corporations».

The last day of each month should be the reference date for the establishment of the statistical monthly report «Security by security report of insurance corporations».

The last day of the year should be the reference date for the establishment of the annual statistical report S 4.3-L «Annual Premiums, claims and commissions of insurance corporations ».

2.2 Reporting currency

Statistical reports must be established in the accounting currency in which the accounts are expressed.

Amounts to be reported on the statistical reports should be expressed with up to five decimals and assets and liabilities denominated in a currency other than the accounting currency should be converted into the latter at the exchange rate prevailing on the day on which the report is compiled.

2.3 Closing date

Closing date should be the date when data are established.

2.4 Data transmission to BCL

The reports must be provided to the BCL in an electronic file according to the norms defined in the documents «Manual of electronic transmission» and «Compendium of verification rules» established for each statistical report.

2.5 Safekeeping period of documents

Reporting agents must keep monthly and quarterly statistical reports as well as relating documents during twenty-four months.

3 Reporting of operations

3.1 Basic accounting policies

3.1.1 Valuation

Globally, assets and liabilities should be valued following Solvency II Directive¹ valuation rules, failing that following those defined by the existing Luxembourg legislation for insurance corporations.

Booking value of debt securities in assets and in liabilities (item 1-003000 «Debt securities held» and item 2-003000 «Debt securities issued») is defined by including accrued but not yet due interest (*dirty price*).

All financial assets and liabilities must be reported on a gross basis, i.e. financial assets must not be reported net of financial liabilities.

Moreover, deposits (items 1-001000 «Currency and deposits») and loans (1-002000 «Loans») must be reported at fair value but also at nominal value under items 1-VN1000 «Currency and deposits - Nominal value» and 1-VN2000 «Loans - Nominal value».

Nominal value means the amount of principal that a debtor is contractually obliged to repay to a creditor; this amount is determined in taking into account loan write-downs and write-offs and without regard to any provisions and/or value adjustments which are reported in the sections relating thereto on the liability side of the balance sheet.

3.1.2 Accounting rules

Insurance corporations may prepare the statistical reporting according to the generally accepted principles applicable for the supervisory reporting. For further information, refer to the documents published by the Commissariat aux Assurances (www.commassu.lu).

Hence, regardless of the accounting rules for the prudential reporting, assets under items 1-001000 «Currency and deposits» and 1-002000 «Loans» must be reported at fair value as

¹ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

well as at nominal value (under items 1-VN1000 and 1-VN2000) at period-end.

4 Instruments

4.1 Assets

4.1.1 Item 1-001000 Currency and deposits

This item consists of holdings in euro and foreign currency banknotes and coins in circulation that are commonly used to make payments and deposits placed by the IC with monetary financial institutions (MFIs). They may include overnight deposits, deposits with agreed maturity and deposits redeemable at notice, as well as claims under reverse repos or securities borrowing against cash collateral.

4.1.1.1 Item 1-001100 Currency and deposits o/w transferable deposits

Transferable deposits are deposits which are directly transferable on demand to make payments to other economic agents by commonly used means of payment, such as credit transfer and direct debit, possibly also by credit or debit card, e-money transactions, cheques, or similar means, without significant delay, restriction or penalty. Deposits that can only be used for cash withdrawal and/or deposits from which funds can only be withdrawn or transferred through another account of the same owner are not to be included as transferable deposits.

4.1.1.2 Item 1-VN1000 Currency and deposits – Nominal value

The item Currency and deposits - Nominal value consists of assets of item 1-001000 Currency and deposits booked at nominal value.

4.1.2 Item 1-002000 Loans

For the purposes of the reporting scheme, this category consists of funds lent by insurance corporations to borrowers, or loans acquired by insurance corporations, which are either evidenced by non-negotiable documents or not evidenced by documents.

The following items are included:

- Holdings of non-negotiable securities: holdings of debt securities which are not negotiable and cannot be traded on secondary markets,

- Traded loans: loans that have de facto become negotiable are classified under the category «loans» provided that there is no evidence of secondary market trading. Otherwise, they are classified as debt securities held,
- Subordinated debt in the form of loans: subordinated debt instruments provide a subsidiary claim on the issuing institution that can only be exercised after all claims with a higher status have been satisfied, giving them some of the characteristics of equity. For statistical purposes, subordinated debt is classified as either «loans» or «debt securities» according to the nature of the instrument. Where an insurance corporation holdings of all forms of subordinated debt are identified as a single figure for statistical purposes, it is to be classified under the category «debt securities», on the grounds that subordinated debt is predominantly constituted in the form of «debt securities», rather than as loans,
- Claims under reverse repos or securities borrowing against cash collateral: counterpart of cash paid out in exchange for securities purchased by reporting agents at a given price under a firm commitment to resell the same or similar securities at a fixed price on a specified future date, or securities borrowing against cash collateral.

This category excludes assets in the form of deposits placed by insurance corporations.

4.1.2.1 Item 1-002100 Loans o/w deposit guarantees in connection with reinsurance business - fair value

This sub item consists of deposits placed by reinsurance corporations as collateral for ICs acting as ceding corporations in reinsurance transactions.

4.1.2.2 Item 1-VN2000 Loans - Nominal value

The item Loans - Nominal value consists of assets of item 1-002000 Loans booked at nominal value.

4.1.3 Item 1-003000 Debt securities held

Holdings of debt securities, which are negotiable financial instruments serving as evidence of debt, are usually traded on secondary markets. They can also be offset on the market and do not grant the holder any ownership rights over the issuing institution. This instrument category includes:

- Holdings of securities which give the holder the unconditional right to a fixed or contractually determined income in the form of coupon payments and/or a stated fixed sum at a specific date or dates, or starting from a date fixed at the time of issue,
- Loans which have become negotiable on an organized market, i.e. traded loans, provided that there is evidence of secondary market trading, including the existence of market makers, and frequent pricing of the financial asset, such as demonstrated by bid-offer spreads. Where these criteria are not fulfilled the loans should be classified under item «Loans» (see also «traded loans» in the same category),
- Subordinated debt in the form of debt securities (see also «subordinated debt in the form of loans» in item 1-002000 «Loans»).

Securities lent out under securities lending operations or sold under a repurchase agreement remain on the original owner's balance sheet (and are not to be recorded in the balance sheet of the temporary acquirer) where there is a firm commitment to reverse the operation, and not simply an option to do so. Where the temporary acquirer sells the securities received, this sale must be recorded as an outright transaction in securities and entered in the balance sheet of the temporary acquirer as a negative position in the securities portfolio.

4.1.4 Item 1-005000 Equity and investment fund shares/units held

This item includes financial assets that represent ownership rights in corporations or quasi-corporations. Such financial assets generally entitle the holders to a share in the profits of the corporations or quasi-corporations, and to a share in their net assets in the event of liquidation.

This item notably includes:

- Listed shares
It consists of equity securities listed on an exchange. The exchange may be a

recognized stock exchange or any other form of secondary market. Listed shares are also referred to as «quoted shares».

- Unlisted shares
Unlisted shares are equity securities not listed on an exchange.
- Other equity
Other equity comprises all forms of equity other than listed shares and unlisted shares.
- Investment fund shares/ units
This category includes holdings of shares or units issued by money market investment funds and non-money market investment funds included in the ECB's lists for statistical purposes.

Equity securities lent out under securities lending operations or sold under repurchase agreements are treated as «Debt securities held» under item 1-003000.

4.1.5 Item 1-006000 Non-financial assets

This item includes tangible and intangible assets, other than financial assets. It includes dwellings, other buildings and structures, machinery and equipment, valuables, and intellectual property products such as computer software and databases.

4.1.6 Item 1-007000 Financial derivatives

This item includes financial instruments linked to a specified financial instrument, indicator, or commodity, through which specific financial risks can be traded in financial markets in their own right.

This item notably includes:

- Options
- Warrants
- Futures
- Forwards
- Swaps
- Credit derivatives

Financial derivatives are recorded at market value on the balance sheet on a gross basis. Individual derivative contracts with positive market values are recorded on the asset side of the balance sheet and contracts with negative market values on the liability side of the balance sheet.

Gross future commitments arising from derivative contracts should not be entered as on-balance-sheet items.

This category does not include financial derivatives that are not subject to on-balance-sheet recording according to national rules.

4.1.7 Items 1-012000 Insurance technical reserves and related claims

This item includes financial claims of insurance corporations against reinsurance corporations based on life and non-life reinsurance policies.

This item may include non-life insurance technical reserves, claims of insurance corporations on pension managers and provisions for calls under standardised guarantees.

4.1.8 Item 1-090000 Other assets

This item is the residual category on the asset side of the balance sheet. Other assets may include:

- Dividends receivable,
- Accrued rent receivable,
- Reinsurance claims receivable,
- Amounts receivable which do not relate to the insurance corporation's main business.
- Accrued but not yet due interest, i.e. the due interest part computed *prorata temporis*.
Accrued but not yet due interest on loans are interest due at the balance sheet reporting date but whose payment will be received later. Accrued but not yet due interest must not be included in the related credit amount, which has to be booked at its nominal amount at the balance sheet reporting date.

Are excluded:

- Accrued but not yet due interest on debt securities held which must be included in the reported amount (*dirty price*) under item 1-003000 «Debt securities held».

- Accrued but not yet due interest on financial derivatives which must be reported under item 1-007000 at fair value.

4.1.9 Item 1-000000 Total assets

This item is compiled by adding up all assets without taking into consideration the items «o/w²» and the items «nominal value³», without taking into consideration the various breakdowns.

4.2 Liabilities

4.2.1 Item 2-002050 Loans - Short sales of securities

If securities are sold short, the sale is reported under the item 2-002050 «Short sales of securities».

The amount to be reported corresponds to the sale price of the securities.

However, if this debt corresponds to specific securities, it has to be valued according to the valuation rules applicable to the securities reported on the asset side of the balance sheet.

4.2.2 Item 2-002060 Loans - deposit guarantees in connection with reinsurance business

This item includes deposits received by ceding corporations as collateral from reinsurance corporations.

² Item 1-001100 Currency and deposits o/w transferable deposits ; Item 1-002100 Loans o/w deposit guarantees in connection with reinsurance business - fair value

³ Item 1-VN1000 Currency and deposits - Nominal value ; Item 1-VN2000 Loans - Nominal value

4.2.3 Item 2-002090 Loans - other

Amounts owed to creditors by the insurance corporations, other than those arising from the issue of negotiable securities. This category consists of:

- Loans granted to the insurance corporations which are either evidenced by non-negotiable documents or not evidenced by documents,
- Repos and repo-type operations against cash collateral: counterpart of cash received in exchange for securities sold by the insurance corporation at a given price under a firm commitment to repurchase the same (or similar) securities at a fixed price on a specified future date. Amounts received by the insurance corporation in exchange for securities transferred to a third party (the «temporary acquirer») are to be classified here where there is a firm commitment to reverse the operation and not merely an option to do so. This implies that the insurance corporation retains all risks and rewards of the underlying securities during the operation,
- Cash collateral received in exchange for securities lending: amounts received in exchange for securities temporarily transferred to a third party in the form of securities lending operations against cash collateral,
- Cash collateral received in operations involving the temporary transfer of gold against collateral.

4.2.4 Item 2-003000 Debt securities issued

This item includes securities issued by insurance corporations, other than equity, that are usually negotiable instruments and traded on secondary markets, or that can be offset on the market, and do not grant the holder any ownership rights in respect of the issuing institution.

4.2.5 Item 2-005000 Capital (equity, shares and units issued)

This item includes amounts arising from the issue of equity capital by the reporting agent to shareholders or other owners, representing for the holder property rights on the registrant and generally an entitlement to a share of profits and in its own funds in the event of liquidation.

This item notably includes:

- Paid called up capital
- Unpaid called up capital

4.2.6 Item 2-011000 Financial derivatives

This item includes financial instruments linked to a specified financial instrument, indicator, or commodity, through which specific financial risks can be traded in financial markets in their own right.

This item notably includes:

- Options
- Warrants
- Futures
- Forwards
- Swaps
- Credit derivatives

Financial derivatives are recorded at market value on the balance sheet on a gross basis. Individual derivative contracts with positive market values are recorded on the asset side of the balance sheet, and contracts with negative market values on the liability side of the balance sheet.

Gross future commitments arising from derivative contracts must not be entered as on-balance-sheet items.

This item does not include financial derivatives that are not subject to on-balance-sheet recording to national rules.

4.2.7 Items 2-012110 to 2-012133: Life insurance technical reserves

Life insurance technical reserves items include amounts of capital that the insurance corporation holds in order to meet the future insurance claims of its life insurance policyholders.

4.2.7.1 Item 2-012110 Unit-linked

Unit-linked life insurance technical reserves are the amount of capital that the insurance corporation holds in order to meet the future insurance claims of its unit-linked life insurance policyholders. The policyholder's future claims under a unit-linked life insurance contract depend on the performance of a pool of assets in which the policyholder's funds are invested.

4.2.7.2 Item 2-012120 Non-unit-linked

Non-unit-linked life insurance technical reserves are the amount of capital that the insurance corporation holds in order to meet the future insurance claims of its non-unit-linked life insurance policyholders. The policyholder's future claims under a non-unit-linked life insurance contract do not depend on the performance of any defined pool of assets.

4.2.7.3 Item 2-012131 Pension entitlements of which Defined contribution schemes

Life insurance technical reserves - Pension entitlements of which Defined contribution schemes are the amount of capital that the insurance corporation holds in order to meet the future insurance claims of its defined contribution scheme policyholders. In a defined contribution scheme the benefits paid are dependent on the performance of the assets acquired by the pension scheme. The liability of a defined contribution scheme is the current market value of the fund's assets. This item only applies to occupational pension schemes. Individual pension plans that are not linked to an employment relationship do not fall into this category.

4.2.7.4 Item 2-012132 Pension entitlements of which Defined benefit schemes

Life insurance technical reserves - Pension entitlements of which Defined benefit are the amount of capital that the insurance corporation holds in order to meet the future insurance claims of its defined benefit scheme policyholders. In a defined benefit pension scheme the level of pension benefits promised to participating employees is determined by a formula agreed in advance. The liability of a defined benefit pension scheme is equal to the present value of the promised benefits.

This item only applies to occupational pension schemes. Individual pension plans that are not linked to an employment relationship do not fall into this category.

4.2.7.5 Item 2-012133 Pension entitlements of which Hybrid schemes

Life insurance technical reserves - Pension entitlements of which Hybrid schemes are the amount of capital that the insurance corporation holds in order to meet the future insurance claims of its schemes combining elements of defined contribution and defined benefit schemes.

This item only applies to occupational pension schemes. Individual pension plans that are not linked to an employment relationship do not fall into this category.

4.2.8 Items 2-012210 to 2-012300: Non-life insurance technical reserves

Non-life insurance technical reserves items include amounts of capital that the insurance corporation holds in order to meet the future insurance claims of its non-life insurance policyholders.

4.2.8.1 Item 2-012210 Non-life insurance technical reserves - Medical expense insurance

This item relates to medical expense insurance obligations where the underlying business is not pursued on a similar technical basis to that of life insurance, other than obligations included in line of business «Workers' compensation insurance».

4.2.8.2 Item 2-012215 Réserves techniques d'assurance-dommages - Income protection insurance

This item relates to income protection insurance obligations where the underlying business is not pursued on a similar technical basis to that of life insurance, other than obligations included in line of business «Workers' compensation insurance».

4.2.8.3 Item 2-012220 Non-life insurance technical reserves - Workers' compensation insurance

This item relates to health insurance obligations which relate to accidents at work, industrial injury and occupational diseases and where the underlying business is not pursued on a similar technical basis to that of life insurance.

4.2.8.4 Item 2-012225 Non-life insurance technical reserves - Motor vehicle liability

This item relates to insurance obligations which cover all liabilities arising out of the use of motor vehicles operating on land (including carrier's liability).

4.2.8.5 Item 2-012230 Non-life insurance technical reserves - Other motor insurance

This item relates to insurance obligations which cover all damage to or loss of land vehicles (including railway rolling stock).

4.2.8.6 Item 2-012235 Non-life insurance technical reserves - Marine, aviation and transport insurance

This item relates to insurance obligations which cover all damage or loss to sea, lake, river and canal vessels, aircraft, and damage to or loss of goods in transit or baggage irrespective of the form of transport. Insurance obligations which cover liabilities arising out of the use of aircraft, ships, vessels or boats on the sea, lakes, rivers or canals (including carrier's liability).

4.2.8.7 Item 2-012240 Non-life insurance technical reserves - Fire and other damage to property insurance

This item relates to insurance obligations which cover all damage to or loss of property, other than those included in lines of business «Other motor insurance» and «Marine, aviation and transport insurance», due to fire, explosion, natural forces including storm, hail or frost, nuclear energy, land subsidence and any event such as theft.

4.2.8.8 Item 2-012245 Non-life insurance technical reserves - General liability insurance

This item relates to insurance obligations which cover all liabilities other than those in lines of business «Motor vehicle liability insurance» and «Marine, aviation and transport insurance».

4.2.8.9 Item 2-012250 Non-life insurance technical reserves - Credit and suretyship insurance

This item relates to insurance obligations which cover insolvency, export credit, installment credit, mortgages, agricultural credit and direct and indirect suretyship.

4.2.8.10 Item 2-012255 Non-life insurance technical reserves - Legal expenses insurance

This item relates to insurance obligations which cover legal expenses and the cost of litigation.

4.2.8.11 Item 2-012260 Non-life insurance technical reserves - Assistance

This item relates to insurance obligations which cover assistance for persons who get into difficulties while travelling, while away from home or while away from their habitual residence.

4.2.8.12 Item 2-012265 Non-life insurance technical reserves - Miscellaneous financial loss

This item relates to insurance obligations which cover employment risk, insufficiency of income, bad weather, loss of benefit, continuing general expenses, unforeseen trading expenses, loss of market value, loss of rent or revenue, indirect trading losses other than those mentioned above, other financial loss (non-trading) as well as any other risk of non-life insurance not covered by the above mentioned lines of business.

4.2.8.13 Item 2-012300 Non-life insurance technical reserves - Reinsurance

This item relates to reinsurance obligations.

4.2.9 Item 2-090000 Other liabilities

This item is defined as liabilities not included elsewhere.

Remaining liabilities may include:

- Amounts payable not related to the insurance corporation's main business, i.e. amounts due to suppliers, tax, wages, social contributions, etc.,
- Provisions representing liabilities against third parties, i.e. pensions, dividends, etc.,
- Net positions arising from securities lending without cash collateral,
- Net amounts payable in respect of future settlements of transactions in securities.

Remark.

- Accrued but not yet due interest on debt securities issued must be included in the reported amount (*dirty price*) under item 2-003000 «Debt securities issued».

4.2.10 Item 2-000000 Total liabilities

This item is compiled by adding up all liabilities without taking into consideration the various breakdowns.

4.3 Annual Premiums, claims and commissions

4.3.1 Item 1-RE0010 Premiums

This item includes gross premiums written comprising all amounts due during the financial year in respect of insurance contracts, regardless of the fact that such amounts may relate in whole or in part to a later financial year.

4.3.2 Item 1-RE0020 Claims

This item includes the sum of the claims paid in respect of the financial year and the

provision for claims for that financial year, minus the provision for claims for the preceding financial year.

4.3.3 Item 1-RE0030 Commissions

This item includes acquisition expenses paid by ICs to other entities to sell their products.

4.3.4 Item 1-RE0040 Total of Assets of the Balance sheet

This item is equivalent to the total of assets of the balance sheet.

4.3.5 Item 1-RE0050 Life insurance or reinsurance technical reserves

This item includes:

- 1 For a life insurance corporation: all the amounts of capital held in order to meet the future insurance claims of life insurance policyholders.
- 2 For a reinsurance corporation: technical reserves without the *Provision pour Fluctuation de Sinistralité (P.F.S)*.

5 Types of breakdowns

Reported amounts of assets and liabilities must be split according to the *following five criteria*:

- Country of the counterpart
- Currency in which assets and liabilities are expressed
- Economic sector of the counterpart
- Initial maturity of assets and liabilities
- Residual maturity of assets and liabilities

The nomenclature that follows presents in detail all the breakdowns by country, currency, economic sector, initial maturity and residual maturity.

However, assets and liabilities items must not always be split according to all of the breakdowns detailed in that nomenclature.

Only the breakdowns requested on each statistical report are to be transmitted to the BCL.

5.1 Country

Reported amounts must be split according to the country of residency or the country of the registered office of the counterpart, i.e. the country where the centre of economic interest of a counterpart is located. A counterpart is supposed to be resident of a given country if it has pursued economic activities in that country for at least one year.

The criterion of territoriality, that is the only relevant criteria for the economic analysis of international financial and monetary statistics, applies to all counterparts of the reporting agent thus also for branches of foreign corporations.

Example:

A security issued by the head office of a Japanese bank located in Tokyo has to be reported with the country code «JP» for Japan.

However, a security issued by the German branch of a Japanese bank has to be reported with the country code «DE» for Germany.

The country is identified by a two-character ISO code according to the codification ISO 3166 (www.iso.org) or by a two-character code provided by BCL for specific geographical areas. When no breakdown by country is required, the country code «XX» No breakdown must be used.

Specific country codes	
XA	European Central Bank (ECB)
XB	International institutions, except European institutions, located outside Luxembourg
XC	International institutions, except European institutions, located in Luxembourg
XD	European institutions located in Luxembourg
XE	European Investment Bank (EIB)
XG	European institutions located outside Luxembourg, except ECB
XI	European Stability Mechanism (ESM)
XJ	European Financial Stability Facility (EFSF)
XX	No breakdown

It is important to note that the country code «XX» No breakdown can only be used if the instructions specifically request it.

5.2 Currency

If appropriate, reported amounts must be split according to the currency in which they are expressed.

The currency is identified by a three-character ISO code according to the codification ISO 4217 (www.iso.org). When no breakdown by currency is required, the currency code «XXX» No breakdown must be used.

Code	Label
XXX	No breakdown

It is important to note that the currency code «XXX» No breakdown can only be used if the

instructions specifically request it.

5.3 The economic sector

Reported amounts must be split according to the economic sector of the counterpart.

It is important to mention that the European Central Bank provides the reporting agents with lists including the:

- Monetary financial institutions
- Investment funds
- Insurance corporations

of the European Union member countries.

In this context, the European Securities and Markets Authority (ESMA) provides reporting agents with a list of central counterparts.

These lists, which are intended to facilitate the correct identification of the economic sector of counterparties in the statistical reporting, are regularly updated and can be found on the websites:

- ECB www.ecb.int or www.ecb.europa.eu
- ESMA <http://mifiddatabase.esma.europa.eu>

Since these lists are published to facilitate the identification of the economic sector of the counterparties, we recommend reporting agents to regularly consult these lists.

The economic sector is identified by a five-character code defined by BCL. The nomenclature is based upon an institutional classification that distinguishes between financial and non-financial corporations and quasi-corporations, public sector, and physical persons. The nomenclature that follows describes in detail all economic sectors.

5.3.1 Public sector (code: 10000)

The public sector consists of institutional units which are non-market producers whose output is intended for individual and collective consumption, and are financed by compulsory payments made by units belonging to other sectors, and institutional units principally engaged in the redistribution of national income and wealth.

The public sector is split into two sub-sectors:

- Central government (code: 11000)
- Other general government (code: 12000)
 - State government (code: 12100)
 - Local government (code: 12200)
 - Social security funds (code: 12300)

5.3.1.1 Central government (code: 11000)

The central government sector consists of all administrative departments of the state and other central agencies whose competence extends normally over the whole economic territory, except for the administration of social security funds.

5.3.1.2 Other general government (code: 12000)

This category consists of all general governments sectors except central government.

5.3.1.2.1. State government (code: 12100)

The state government sector consists of those types of public administration which are separate institutional units exercising some of the functions of government, except for the administration of social security funds, at a level below that of central government and above that of the governmental institutional units existing at local level.

5.3.1.2.2. Local government (code: 12200)

The local government sector includes those types of public administration whose competence extends to only a local part of the economic territory, apart from local agencies

of social security funds.

5.3.1.2.3. Social security funds (code: 12300)

The social security funds sector includes central, state and local institutional units whose principal activity is to provide social benefits and which fulfil each of the following two criteria:

- By law or by regulation certain groups of the population are obliged to participate in the scheme or to pay contributions
- General government is responsible for the management of the institution in respect of the settlement or approval of the contributions and benefits independently from its role as supervisory body or employer

5.3.2 Non-financial sector (code: 20000)

The non-financial sector is composed of two sub-sectors:

- Non-financial corporations (code: 21000)
- Households and non-profit institutions serving households (code: 22000)
 - Households (code: 22100)
 - + Households – sole proprietors (code: 22110)
 - + Households – physical persons (code: 22120)
 - Non-profit institutions serving households (code: 22200)

5.3.2.1 Non-financial corporations (code: 21000)

The non-financial corporations sector consists of institutional units which are independent legal entities and market producers, and whose principal activity is the production of goods and non-financial services. The non-financial corporations sector also includes non-financial quasi-corporations.

This sector consists in particular of:

- Private and public corporations which are market producers principally engaged in the production of goods and non-financial services
- Cooperatives and partnerships recognised as independent legal entities which are

market producers principally engaged in the production of goods and non-financial services

- Public producers which are recognised as independent legal entities and which are market producers principally engaged in the production of goods and non-financial services
- Non-profit institutions or associations serving non-financial corporations, which are recognised as independent legal entities and which are market producers principally engaged in the production of goods and non-financial services
- Head offices controlling a group of corporations which are market producers, where the preponderant type of activity of the group of corporations as a whole - measured on the basis of value added — is the production of goods and non-financial services
- Special purpose entities whose principal activity is the provision of goods or non-financial services
- Private and public quasi-corporations which are market producers principally engaged in the production of goods and non-financial services

5.3.2.2 Households and non-profit institutions serving households (code: 22000)

The households and non-profit institutions serving households sector is split into two sub-sectors:

5.3.2.2.1 Households (code: 22100)

The household sector covers individuals or groups of individuals as consumers and possibly also as entrepreneurs producing market goods and non-financial and financial services (market producers) provided that, in the latter case, the corresponding activities are not those of separate entities treated as quasi-corporations. It also includes individuals or groups of individuals as producers of goods and non-financial services for exclusively own final use.

The household sector is split into two sub-sectors:

1 Households – Sole proprietors (code: 22110)

This sub-sector consists of sole proprietors and partnerships without independent legal status (other than those treated as quasi-corporations) which are market producers.

2 Households – Physical persons (code: 22120)

This sub-sector consists of:

- Individuals or groups of individuals whose principal function is consumption
- Individuals or groups of individuals whose principal function is consumption and which produce goods and non-financial services for exclusively own final use
- Non-profit institutions serving households, which do not have independent legal status

The sub-sector of physical persons consists notably of:

- Employees
- Recipients of property income
- Recipients of other income and pensions

5.3.2.2.2 Non-profit institutions serving households (code: 22200)

The non-profit institutions serving households sector (NPISHs) consists of non-profit institutions which are separate legal entities, which serve households and which are other private non-market producers.

Their principal resources, apart from those derived from occasional sales, are derived from voluntary contributions in cash or in kind from households in their capacity as consumers, from payments made by general governments and from property income.

5.3.3 Monetary financial institutions sector (MFI) (code: 30000)

The monetary financial institutions sector is divided into three main groups:

- Central banks (code: 31000)
- Deposit taking corporations except the central bank (code: 32000)
 - Credit institutions (code: 32100)
 - Other deposit taking institutions (code: 32200)
- Money market funds (code: 33000)

5.3.3.1 Central banks (code: 31000)

This sector includes in particular:

- European central bank (ECB)
- National central banks (NCBs)
- Central monetary agencies of essentially public origin

5.3.3.2 Deposit taking corporations (code: 32000)

The deposit taking corporations except the central bank sector includes all financial corporations and quasi-corporations, except those classified in central banks (code: 31000) and in the money market fund (code: 33000) subsectors, which are principally engaged in financial intermediation and whose business is to receive deposits and/or close substitutes for deposits from institutional units, hence not only from MFIs, and, for their own account, to grant loans and/or to make investments in securities.

This sector is composed of two sub-sectors:

5.3.3.2.1 Credit institutions (code: 32100)

This sector includes in particular:

- Commercial banks, universal banks as well as all-purpose banks
- Savings banks
- Rural credit banks, agricultural credit banks
- Cooperative credit banks, credit unions
- Specialised banks (e.g. merchant banks, banks specialised in issuing covered bonds «*banques des lettres de gage*», private banks)

5.3.3.2.2 Other deposit taking institutions (code: 32200)

This sector includes in particular:

- Post offices such as the CCP in Luxembourg
- Electronic money institutions which are mainly engaged in financial intermediation

5.3.3.3 Money market funds (MMFs) (code: 33000)

The money market funds sector consists of all financial corporations and quasi-corporations, except those classified in the central bank and in the deposits institutions subsectors, which are principally engaged in financial intermediation. Their business is to issue investment fund shares or units as close substitutes for deposits from institutional units, and, for their own account, to make investments primarily in money market fund shares/units, short-term debt securities, and/or deposits.

5.3.4 Financial sector (except MFI) (code: 40000)

The financial sector (except MFI) is divided into the following sub-sectors:

- Non-monetary investment funds (code: 41000)
- Financial intermediaries (code: 42000)
 - Securitization vehicles (code: 42100)
 - Central counterparties (code: 42200)
 - Other financial intermediaries (code: 42900)
- Financial and insurance auxiliaries (code: 43000)
- Captive financial institutions and money lenders (code: 44000)
- Insurance corporations (code: 45000)
- Pension funds (code: 46000)

5.3.4.1 Non-monetary investment funds (code: 41000)

The non-monetary investment funds sector consists of all collective investment schemes, except those classified in the MMF sector (code: 33000), which are principally engaged in financial intermediation. Their business is to issue investment fund shares or units which are not close substitutes for deposits, and, on their own account, to make investments primarily

in financial assets other than short-term financial assets and in non-financial assets (usually real estate).

Remark.

- It should be noted that for Luxembourg non-monetary investment funds consists of the following types of entities:
 - UCI (Undertakings for Collective Investment)
 - SIF (Specialised Investment Funds)
 - SICAR (Investment Companies in Risk Capital)

5.3.4.2 Other financial intermediaries (code: 42000)

The other financial intermediaries sector consists of all financial corporations and quasi-corporations which are principally engaged in financial intermediation by incurring liabilities in forms other than currency, deposits, or investment fund shares, or in relation to insurance, pension and standardised guarantee schemes from institutional units. This sector is split into the following sectors:

5.3.4.2.1 Securitisation vehicles (code: 42100)

This sector consists of all institutions that are created in order to undertake securitisation transactions.

A securitisation operation consists in transferring assets and/or risks associated to these assets towards a securitisation vehicle created to issue securities secured by these assets.

5.3.4.2.2 Central counterparties (code: 42200)

This sector consists of the central clearing and compensation counterparts that are reported on the list published by the European Securities and Markets Authority (ESMA).

5.3.4.2.3 Other financial intermediaries (code: 42900)

This sector consists of all financial intermediaries that are not securitisation vehicles or central counterparties.

This sector includes in particular:

- Security and derivative dealers (on own account) are financial intermediaries on own account
- Financial corporations engaged in lending include for example financial intermediaries engaged in:
 - Financial leasing
 - Fire purchase and the provision of personal or commercial finance
 - Factoring
- Specialised financial corporations include for example:
 - Venture and development capital companies
 - Export/import financing companies
 - Financial intermediaries which acquire deposits and/or close substitutes for deposits, or incur loans vis-à-vis monetary financial institutions only; these financial intermediaries cover also central counterparty clearing houses (CCPs) carrying out inter-MFI repurchase agreement transactions

5.3.4.3 Financial auxiliaires (code: 43000)

The financial auxiliaries sector consists of all financial corporations and quasi-corporations which are principally engaged in activities closely related to financial intermediation but which are not financial intermediaries themselves.

This sector includes in particular:

- Insurance brokers, salvage and average administrators, insurance and pension consultants, etc
- Loan brokers, securities brokers, investment advisers, etc
- Flotation corporations that manage the issue of securities
- Corporations whose principal function is to guarantee, by endorsement, bills and similar instruments

- Corporations which arrange derivative and hedging instruments, such as swaps, options and futures (without issuing them)
- Corporations providing infrastructure for financial markets
- Central supervisory authorities of financial intermediaries and financial markets when they are separate institutional units
- Managers of pension funds, mutual funds, etc
- Corporations providing stock exchange and insurance exchange
- Non-profit institutions recognised as independent legal entities serving financial corporations, but not engaged in financial intermediation
- Payment institutions (facilitating payments between buyer and seller)

5.3.4.4 Captive financial institutions and money lenders (code: 44000)

The captive financial institutions and money lenders sector consists of all financial corporations and quasi-corporations which are neither engaged in financial intermediation nor in providing financial auxiliary services, and where most of either their assets or their liabilities are not transacted on open markets.

This sector includes in particular:

- Units as legal entities such as trusts, estates, agencies accounts or 'brass plate' companies
- Holding companies that hold controlling-levels of equity of a group of subsidiary corporations and whose principal activity is owning the group without providing any other service to the businesses in which the equity is held, that is, they do not administer or manage other units
- Special purpose entities that qualify as institutional units and raise funds in open markets to be used by their parent corporation
- Units which provide financial services exclusively with own funds, or funds provided by a sponsor, to a range of clients and incur the financial risk of the debtor defaulting. Examples are money lenders, corporations engaged in lending to students or for foreign trade from funds received from a sponsor such as a government unit or a non-profit institution, and pawnshops that predominantly engage in lending
- Special purpose government funds, usually called sovereign wealth funds, if classified

as financial corporations

5.3.4.5 Insurance corporations (code: 45000)

The insurance corporations sector consists of all financial corporations and quasi-corporations which are principally engaged in financial intermediation as a consequence of the pooling of risks mainly in the form of direct insurance or reinsurance.

This sector also includes «captive» insurance companies and reinsurance.

5.3.4.6 Pension funds (code: 46000)

The pension funds consists of all financial corporations and quasi-corporations which are principally engaged in financial intermediation as the consequence of the pooling of social risks and needs of the insured persons (social insurance). Pension funds as social insurance schemes provide income in retirement, and often benefits for death and disability.

Remarks.

- In Luxembourg, these are notably funds established under the form of a pension savings company with variable capital (SEPCAV) and pension savings association (ASSEP) as defined by the law of 8 June 1999.
- Non-autonomous pension funds must not be included in this sector.

5.3.5 Sector «No breakdown» (code: 90000)

When no breakdown by economic sector is required, the sector code «90000» No breakdown must be used.

It is important to note that this sector code can only be used if the instructions specifically request it.

5.3.6 Sectors overview

The following list provides an overview on the various sectors to be used for reporting purpose.

Code	Economic sector
11000	Central government
12100	State government
12200	Local government
12300	Social security funds
21000	Non-financial corporations
22110	Households – Sole proprietors
22120	Households – Physical persons
22200	Non-profit institutions serving households
31000	Central banks
32100	Deposit taking corporations – Credit institutions
32200	Deposit taking corporations – Other
33000	Money market funds
41000	Non-monetary investment funds
42100	Securitisation vehicles
42200	Central counterparties
42900	Other financial intermediaries
43000	Financial auxiliaries
44000	Captive financial institutions and money lenders
45000	Insurance corporations
46000	Pension funds
90000	No breakdown

5.4 Original maturity

If appropriate, reported amounts must be broken down according to their original maturity.

The original maturity is identified by an eight-character defined by BCL. When no breakdown by original maturity is required, the original maturity code «I999-999» No breakdown must be used.

The original maturity, i.e. maturity at issue, is the fixed period of life of a financial instrument before which it cannot be redeemed, e.g. debt securities, or before which it can be redeemed only with some kind of penalty, e.g. some types of deposits. In practice, it is calculated as the difference between the due date and the issue date.

The original maturity is identified with the following time slots:

Code	Original maturity
I000-01A	Up to 1 year
I01A-02A	Over 1 and up to 2 years
I02A-05A	Over 2 and up to 5 years
I05A-999	Over 5 years
I999-999	No breakdown

It is important to note that the original maturity code «I999-999» No breakdown can only be used if the instructions specifically request it.

5.5 Residual maturity

If appropriate, reported amounts must be broken down according to their residual maturity.

The residual maturity is identified by a eight-character defined by BCL. When no breakdown by residual maturity is required, the residual maturity code «R999-999» No breakdown must be used.

The residual maturity, i.e. time remaining until maturity, refers to the period of time,

beginning at the end of the reporting period, before which the financial instrument cannot be redeemed, e.g. debt securities, or before which it can be redeemed only with some kind of penalty, e.g. some types of deposits. In practice, it is calculated as the difference between the due date and the end of the reporting period date.

The residual maturity is identified with the following time slots:

Code	Residual maturity
R000-01A	Up to 1 year
R01A-02A	Over 1 and up to 2 years
R02A-05A	Over 2 and up to 5 years
R05A-999	Over 5 years
R999-999	No breakdown

It is important to note that the original maturity code «R999-999» No breakdown can only be used if the instructions specifically request it.

6 Minimum standards to be applied

Insurance corporations must fulfil the following minimum standards to meet the statistical reporting requirements of the Banque centrale du Luxembourg (BCL).

- 1 Minimum standards for transmission
 - 1.1 Reporting to the BCL must be timely and within the deadlines set by the BCL and published on its website
 - 1.2 Statistical reports must take their form and format from the technical reporting requirements set by the BCL
 - 1.3 The contact persons within the reporting agent must be indicated to the BCL
 - 1.4 The technical specifications for data transmission to BCL must be followed
- 2 Minimum standards for accuracy:
 - 2.1 All the constraints published in the technical documentation of the BCL must be fulfilled; these are mainly the structure of the electronic messages and the verification rules applicable for the various statistical reports
 - 2.2 Insurance corporations must be able to provide information on the developments implied by the data supplied
 - 2.3 The statistical information must be complete
- 3 Minimum standards for compliance with concepts:
 - 3.1 The statistical information must comply with the definitions and classifications contained in the instructions
 - 3.2 In the event of deviations from these definitions and classifications, where applicable reporting agents must monitor on a regular basis and quantify the difference between the measure used and the measure contained in these instructions
 - 3.3 Insurance corporations must be able to explain breaks in the data supplied compared with the previous periods' figures.
- 4 Minimum standards for revisions:
 - 4.1 The revisions policy and procedures set by the BCL must be followed. Revisions deviating from regular revisions must be accompanied by explanatory notes.